



Indiana Brownfields Program an Indiana Finance Authority Environmental Program

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April 23, 2015

Ms. Keary Cragan
U.S. EPA Region 5
77 West Jackson Boulevard, Mail Code SE-4J
Chicago, IL 60604-3507

Re: State of Indiana - 2015 Request for Revolving Loan Fund (RLF) Supplemental Funding

Dear Ms. Cragan:

I. Introduction

The Indiana Finance Authority (Authority), through the Indiana Brownfields Program (Program), respectfully requests **\$1,000,000 in hazardous substances supplemental funding** for its Revolving Loan Fund (RLF) Assistance Amendment (AA) # BF-00E48101-7. The U.S. Environmental Protection Agency (U.S. EPA) has awarded the Program a total of \$7,859,204 in RLF (and Brownfields Cleanup Revolving Loan Fund (BCRLF)) funding (plus \$871,840 of the Authority's cost share), including four previous supplemental funding awards, which has facilitated the remediation and redevelopment of nine brownfield properties in seven cities across the State of Indiana (State). The Program has obligated/committed all of its awarded federal RLF funds through closed loans, eligible programmatic expenses, and pending and anticipated loan closings. \$1,000,000 in RLF Supplemental funds will fund remediation of a priority brownfield project in the City of Richmond, discussed in detail below. The Program seeks to continue to provide low-cost financing that provides economic and environmental benefits that complement the State of Indiana's commitment to improving the health and quality of life for its residents, as well as supports U.S. EPA's Strategic Plan and progress toward protecting human health and the environment.

Throughout the past 18 years, U.S. EPA has provided a variety of brownfield grant funding to the State. The table below summarizes the BCRLF and RLF (Regular & American Recovery & Reinvestment Act (ARRA)) awards received by the State:

RLF Award History (BCRLF, Regular, & ARRA) – State of Indiana

| Award Year | Hazardous | Petroleum | Total Award Amount | Total amount obligated, percentage | Total amount drawn, percentage | Grant Period End Date |
|-----------------------------------|--|--------------------|------------------------------------|---|---------------------------------------|----------------------------------|
| 1997, 2002, 2003 | \$1,000,000 | \$0 | \$1,000,000 (BCRLF) | | | <i>Closed</i> August 23, 2007 |
| 2008 | \$1,000,000 + \$359,204 (revolved BCRLF) | \$1,000,000 | \$2,359,204 (RLF + revolved BCRLF) | \$2,304,761 97.7% | \$1,960,465 83.1% | July 31, 2015 |
| 2009 | \$900,000 | \$1,600,000 | \$2,500,000 (ARRA RLF) | | | <i>Closed</i> June 30, 2013 |
| 2010 | \$500,000 | \$0 | \$500,000 (Supplemental RLF) | \$500,000 100% | \$500,000 100% | July 31, 2015 |
| 2011 | \$500,000 | \$0 | \$500,000 (Supplemental RLF) | \$500,000 100% | \$500,000 100% | July 31, 2015 |
| 2013 | | \$500,000 | \$500,000 (Supplemental RLF) | \$0 0% | \$0 0% | July 31, 2015 |
| 2014 | \$500,000 | | \$500,000 (Supplemental RLF) | \$0 0% | \$0 0% | September 30, 2016 |
| Total: | \$4,759,204 | \$3,100,000 | \$7,859,204 | \$3,304,761 75.8% | \$2,960,465 67.9% | |
| Pending Loan Closing (committed): | | | | \$554,443 88.5% | | |
| Anticipated Loan (committed): | | | | \$500,000 100% | | |
| Available balance: | \$0 | \$0 | | | | |

The total amount of RLF awards (not including BCRLF or ARRA RLF) is \$4,359,204. This is the denominator for the percentage calculations indicated on the table of total amount obligated and total amount drawn since the BCRLF and ARRA RLF grants were fully expended and are

closed. The \$554,443 loan listed as “pending” could be as high as \$580,000, and the loan listed as “anticipated” would obligate all of the Program’s remaining U.S. EPA RLF grant funds.

II. RLF Supplemental Funding Considerations

1. The RLF grantee must have made at least one loan or subgrant AND have significantly depleted existing available loan and/or subgrant funds

As of the date of this request, the Program has closed eight loans using RLF funds (nine including BCRLF funding) and has a balance of \$0. As discussed below, since two communities began repayment of their loans before the RLF grant project period end date, the Program drew and disbursed those loan repayments before regular RLF grant funds were drawn in accordance with the U.S. EPA Program Income policy in effect at the time, which affected the draw rate of the RLF award balance.

The following summarizes the Program’s closed loans to date:

- a) In 2003, the Program loaned \$1 million to the City of South Bend utilizing its BCRLF grant award. The 1997 BCRLF grant was closed on August 23, 2007, with \$359,204 of repayments added to the Program’s April 2008 RLF grant award, and the balance of repayments funding the Program’s Auto Sector Site Assessment Initiative pursuant to the BCRLF grant Closeout Agreement. The loan was repaid in full in March 2012.
- b) On December 1, 2008, the Authority closed an \$800,000 loan with the City of Shelbyville (Shelbyville) combining regular RLF hazardous substances funds and \$368,956 of State low-interest loan (LIL) funds. It was a 20-year loan at a 3% interest rate, with a semi-annual repayment schedule. However, in 2014, the Program terminated the loan with Shelbyville, which only utilized \$139,159 (of \$431,044) of regular RLF hazardous substances funds, and then re-obligated the balance of the Shelbyville RLF loan funds to the City of Richmond (for the MGP project). Shelbyville repaid its RLF loan in January 2015.
- c) On February 25, 2010, the Authority closed a \$2.95 million loan with the City of Elkhart combining \$600,000 of ARRA RLF funds (hazardous substances and petroleum) and \$650,000 of regular RLF funds (hazardous substances and petroleum), plus \$1,050,00 in State LIL funding and \$650,000 in State Revolving Fund (SRF) Program loan funds. It is a 20-year loan at a 0% interest rate (for the RLF and ARRA RLF funds), with a semi-annual repayment schedule that began April 2014. The last payment will be due in April 2030.
- d) On March 1, 2010, the Authority closed a \$1.5 million loan with the City of Goshen including \$500,000 in regular RLF hazardous substances funds and \$1 million of SRF Program loan funds. It is a 20-year loan at a 0% interest rate (for the RLF funds), with an annual repayment schedule that began January 2014, and runs for 4 years, followed by a semi-annual repayment schedule beginning in July 2018. The last payment will be due in July 2030.
- e) On March 31, 2011, the Authority closed an \$819,211 loan with the City of Jeffersonville with \$772,000 of ARRA RLF petroleum funds (of which, in 2013, \$200,000 was swapped

for regular RLF funds from a project that was moving more quickly) and \$47,211 in SRF Program loan funds. It is a 20-year loan at 0% interest rate (for the RLF and ARRA RLF funds), with an annual repayment schedule that began January 2013. The last payment will be due in January 2032. The ARRA RLF program income received in conjunction with the first loan repayment has been fully drawn.

- f) On September 30, 2011, the Authority closed a second loan with the City of Goshen for \$500,000 including \$75,000 in regular RLF funds and \$425,000 in ARRA RLF funds. It is a 20-year loan at a 0% interest rate, with a semi-annual repayment schedule that began July 2013. The last payment will be due in January 2032.
- g) On December 29, 2011, the Authority closed a \$1.2 million loan with the City of Columbus including approximately \$422,000 in regular RLF petroleum funds, \$778,000 in ARRA RLF petroleum funds and \$600,000 in SRF Program loan funds. It is a 20-year loan at 0% interest rate (for the RLF and ARRA RLF funds), with a semi-annual repayment schedule that began January 2013. The last payment will be due in July 2031. The program income received in conjunction with the first loan repayment has been fully drawn.
- h) On December 13, 2012, the Authority closed an \$826,125 loan with the City of Richmond including approximately \$498,000 in regular RLF hazardous substances funds and approximately \$328,000 in ARRA RLF hazardous substances funds. It is a 20-year loan at 0% interest rate, with an annual repayment schedule beginning in January 2015. The last payment will be due in January 2033.
- i) On December 13, 2012, the Authority closed a \$1,444,000 loan with the City of Terre Haute in regular RLF hazardous substances funding, in addition to \$6,731,000 in SRF Program loan funds. It is a 20-year loan at 0% interest rate (for the RLF funds), with a semi-annual repayment schedule beginning in January 2015. The last payment will be due in January 2033.
- j) In June 2015, the Authority will be closing at least a \$554,443 loan (could be as high as \$580,000) with the City of Richmond for the Former Carpenter Bus Manufacturing Facility at which remediation of petroleum contamination in soil and groundwater in four separate areas of the Richmond site is needed. The loan will be a 20-year (maximum) loan at 0% interest rate, with an annual repayment schedule beginning in August 2016. The last payment will be due in 2036.
- k) Before the end of 2015, the Authority anticipates closing at least a \$450,000 loan (could be as high as \$600,000-700,000) with the City of Evansville for the Former Swanson-Nunn Electric Company site for hazardous substances remediation. The loan will be a 20-year (maximum) loan at 0% interest rate, with an annual repayment schedule beginning in 2016. The last payment will be due in 2036.

The Program has obligated all of the \$7.85 million in RLF funds awarded to the Program (not including the Authority's cost share). In total, the Authority has drawn 100% of its ARRA RLF grant funds and 73.9 % of its regular RLF (and BCRLF) grant funds.

2. Demonstrated need for supplemental funding AND ability to make loans/subgrants for cleanups that can be started and completed expeditiously

This request for \$1,000,000 in RLF Supplemental Funding is centered on a significant, long-standing, priority project in Richmond at which the Program has already spent federal 128(a) brownfield dollars on site investigation activities. The summary provided below highlights the project and the associated environmental issues necessitating remediation.

Former Reid Memorial Hospital (Site) – 1401 Chester Boulevard, Richmond, Wayne County, Indiana; Program Site # 4131015

Site/Project Background: The Site operated as Reid Memorial Hospital from 1904 until 2006 when operations were relocated and the Site was sold. The 6-parcel Site consists of approximately 74 acres with a main structure that has had numerous building additions. The Site also contains three outbuildings. The structures are surrounded by asphalt parking lot and a wooded area located to the east of the structures. Several Site acquisitions have occurred since Reid Memorial Hospital and Health Care Services operations ceased on the Site. The current owner of the Site, since 2009, is Spring Grove Development LLC, which has abandoned the Site. The City of Richmond would like to acquire the Site which is tax delinquent (\$500,000+ owed in back taxes) and qualify as a bona fide prospective purchaser (BFPP). The City will be included as a user of a planned Phase I. The City of Richmond plans to identify available funds for demolition of the buildings and to secure the Site for future redevelopment. The Site remains an attractive nuisance for illegal activities and the buildings appear to be beyond saving due to damage from scrappers, arsonists and other trespassers.

Contamination: The Site is contaminated with volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), metals, and asbestos (the primary contaminant of concern for which funding is being requested). Since 2009, scrappers have plagued the Site, damaging structures and removing copper and any material of value that can be sold. In the process of removing piping, scrappers spread friable asbestos all over the original building and in other older additions. Containers of chemicals have been left in power plant building as well. According to a *Phase I Environmental Site Assessment* conducted by Troy Risk, Inc. (April 20, 2005), portions of the Site in the wooded area and along and under the parking lot have historical documentation of being disturbed and filled in with material and trash is observed along the surface. Underground storage tanks (USTs) formerly operated on-Site and may have contained VOCs. The Program awarded site-specific 128(a) funding to the City in 2014 for a Phase II Environmental Site Assessment which identified contamination at the Site. Contamination discovered in the soils and groundwater include arsenic, thallium, benzo(a)anthracene, benzo(b)fluoranthene, dibenz(a,h)anthracene, indeno(1,2,3-cd)pyrene, benzo(a)pyrene, dioxins, lithium, and gross alpha particles.

Redevelopment Project: Previous owners and potential developers identified the Site for redevelopment as housing, including student housing to support Indiana University – East located nearby, retail, hotel and other multi-family uses on the undeveloped land. Unfortunately, none were able to redevelop the Site. The community is now interested in demolishing the structures on the Site and offering it for redevelopment. Current ideas include redeveloping it into commercial and/or other residential uses. Due to its close proximity to the city's downtown core, adjacency to the east fork of the Whitewater River and proximity along US 27, it is an ideal site for redevelopment.

However, the community does not have the funding needed to address environmental contamination left behind as a result of the scrapping operations that took place in Site buildings.

Economic Benefit: The City of Richmond sees the Site as a future asset for the community due to its close proximity to the city's downtown core, adjacency to the east fork of the Whitewater River and proximity along US 27. In fact, years ago, the City of Richmond created a Tax Increment Finance (TIF) District that included the Site to assist Spring Grove Development LLC with its redevelopment efforts. Unfortunately, that project did not come to fruition.

Demolishing the Site buildings and remediating subsurface contamination will be a major step toward returning the property to reuse and generation of property taxes. The City of Richmond has lost over \$500,000 in property taxes since Spring Grove Development LLC abandoned the Site. Additionally, countless hours have been spent by public safety officials fighting fires and dealing with vagrants at the Site. With Site redevelopment could come thousands of dollars in new tax revenues and hundreds of jobs for the community.

Quality of Life Benefit: The City of Richmond is fortunate to have many projects currently underway that are improving the quality of life in Richmond including park developments, trails and downtown housing. Most of these projects are focused on improving the city's central core, which is where the Former Reid Memorial Hospital is located. In addition, the Indiana Department of Transportation has a major project planned for 2016 along US 27 along which the former hospital is located. While improvements to the city's central core continue, this Site remains blighted, unsafe and a hindrance to future development opportunities. Therefore, in addition to removing an attractive nuisance, addressing this longstanding blight will dramatically improve the sight lines of a prominent thoroughfare in the City.

Leveraged Funding: The City of Richmond has invested thousands of dollars in maintenance of the Site, including mowing grass, securing the buildings, and addressing public safety efforts. A group of elected officials and community leaders has met regularly to discuss funding and has committed a portion of the funds needed to demolish the Site. The Program has utilized its U.S. EPA 128(a) funding to conduct site assessment work in 2014 to investigate on-Site soil and asbestos-containing materials. The City, therefore, is ready to start remediation activities at the Site when funding for removal of environmental contamination can be secured.

3. Demonstrated ability to administer and "revolve" the RLF grant, and administer subgrant(s) and/or loan(s)

The Authority currently manages multiple open U.S. EPA Brownfield and State Revolving Fund (SRF) grants/cooperative agreements. Authority staff dedicated to the management of its environmental programs and accounting of federal funds includes a finance manager, financial analyst, financial resources coordinator, federal funding coordinator, two accountants, and a disbursement coordinator, demonstrating more than sufficient financial management capacity. In addition to its brownfield funding, the Authority manages the SRF loan programs for drinking and waste water infrastructure projects, closing an average of \$200 million per year in loans, with more than \$2 billion in outstanding loans. It also had submitted all U.S. EPA reports and other deliverables under its regular and ARRA RLF grants and Assessment grants in a timely manner.

The Authority has demonstrated the expertise, capacity, and resources to effectively administer its RLF grants beginning with its management and 2007 closeout of its 1997 BCRLF grant, including the transition of some of the revolved funds to a new RLF grant, the execution of which required the merger of two cooperative agreements and associated work plans. In 2013, the Authority terminated the 2007 BCRLF Closeout Agreement in compliance with its terms and conditions after appropriately expending the retained funds.

The Program has closed and administers several forgivable loans using (State and) federal funds pursuant to its incentive guidelines which permit the Program to make up to 30% of a loan (not to exceed \$200,000) forgivable for non-private borrowers in those cases where specific remediation and redevelopment milestones are met within an agreed upon time period. The Program carefully reviews the documentation submitted by borrowers demonstrating their attainment of remediation and redevelopment goals to determine loan forgiveness. South Bend's BCRLF loan included a 20% forgivable component, the terms for which were satisfied and the forgivable note expunged. The City of Shelbyville's loan (now terminated) also included a 20% forgivable component.

In a couple of instances the Program has had to shift loan funding once projects were started. In 2010, the Program worked cooperatively with its U.S. EPA Project Officer to obtain approval to shift types (hazardous vs. petroleum) and amounts of regular RLF and ARRA RLF funding in the City of Elkhart's loan agreement in order to accommodate the revised work scopes of the two projects being funded by the loan. The Program also successfully shifted ARRA RLF funds into regular RLF loan projects that were proceeding more quickly in order to ensure the timely draw down of ARRA RLF funds.

To demonstrate grant performance, the Program maintains and tracks all site information and project milestones in one main database called TEMPO. The Authority also conducts an annual Return on Investment (ROI) Survey requesting economic and environmental benefits from Program participants including permanent jobs, businesses (numbers and types) and housing (numbers and types), those that are created, retained, projected, and temporary, all of which is tracked in an Excel spreadsheet with other pertinent project information. Property valuation and assessed property taxes, among other information, is also tracked to measure local economic growth. The Authority also successfully complied with all ARRA 1512 reporting requirements which included economic data related to jobs retained and created, including number of employees and total projected payroll for those employees (salary and benefits).

Revolving of funds: In 2004, the City of South Bend began making repayments on its \$1 million loan from the State's 1997 BCRLF grant/cooperative agreement. Through the 2007 Closeout Agreement for the BCRLF grant, the Program supplemented its April 2008 RLF grant award with \$359,204 in revolved funds and created the Automotive Sector Brownfields Assessment (Auto Sector) Initiative with the balance of South Bend's loan repayments. To date, the Program has awarded a total of \$590,512 for seven Auto Sector sites, obligating 100% of revolved BCRLF funds. In January 2015, the City of Shelbyville repaid its RLF loan which the Program will utilize for future brownfield activities.

4. Demonstrated ability to use the RLF grant to address funding gaps for cleanup and use of existing leveraged resources

The Program has several examples of projects at which its RLF grant funds have been used to fill gaps in funding for cleanup. Through the coordinated effort of U.S. EPA, the State and City of South Bend, the former Fredrickson Park Landfill was successfully redeveloped, in large part due to the BCRLF loan which South Bend leveraged with State and local funding to fill a gap in funding for cleanup. Loan-funded remediation activities at the former landfill included capping, methane extraction flare system installation, and monitoring well installation. Following remediation, a park facility was constructed that is now open to the public as the Fredrickson Park Environmental Education Center.

In December 2008, the Authority closed an \$800,000 loan with the City of Shelbyville to address contamination at the Former Wellman Thermal Manufacturing site. The Program had previously awarded \$500,000 in State brownfield grant assistance for the site which was insufficient to complete necessary remediation activities and prepare the site for commercial redevelopment. In 2014, the Program terminated the loan, re-obligating the balance of the Shelbyville loan funds to the City of Richmond for the MGP project.

In fact, since 2008, the Authority has leveraged RLF funds with other federal loan (SRF loan program funding for non-point source projects and/or ARRA RLF funds) and/or State loan and grants funds in all of its loans as detailed below:

1) City of Shelbyville: Total (revised) loan amount = \$139,159

- \$139,159 RLF (actual amount disbursed)
- \$368,956 in State funds (not drawn)
- Loan terminated

Additional financial assistance to site/project:

- State brownfield grant funding: \$500,000
- City investment/commitment: \$630,000 in TIF proceeds (additional \$1.4 million projected within two years)
- Private investment: \$2 million (projected)

2) City of Elkhart: Total (revised) loan amount = \$2,936,112

- \$636,112 RLF (actual amount disbursed)
- \$600,000 ARRA RLF
- \$650,000 State Revolving Fund (SRF) Loan Program
- \$1,050,000 State brownfield Low-Interest Loan

Additional financial assistance to sites/projects:

- State brownfield grant funding: \$46,153 (Former Elkhart Foundry & Machine)
- U.S. EPA brownfield grant funding: portion of two \$200,000 U.S. EPA assessment grants (Former LaBour Pump)

3) City of Goshen: Total (revised) amount (two loans) = \$1,500,000 + \$131,372 = \$1,631,372

- \$500,000 RLF
- \$1,000,000 SRF Loan Program

- \$75,000 RLF (not drawn; reallocated)
- \$131,372 ARRA RLF (actual amount disbursed)

Additional financial assistance to sites/projects:

- State brownfield grant funding: \$317,435
- U.S. EPA brownfield grant funding: \$882,565
- City investment: \$3 million

4) City of Jeffersonville: Total loan amount = \$819,211

- \$200,000 RLF (swapped)
- \$572,000 ARRA RLF
- \$47,211 SRF Loan Program

5) City of Columbus: Total loan amount = \$1,800,000 (\$1,200,000 of which is RLF/ARRA RLF)

- \$414,000 RLF (revised approximate amount)
- \$785,699 ARRA RLF (revised approximate amount)
- \$600,000 SRF Loan Program

Additional financial assistance to site/project:

- Private and public investments: \$1,500,000 (estimated)
- HUD grant: \$315,000 (approximate)

6) City of Richmond: Total loan amount = \$826,125

- \$481,000 RLF (revised approximate amount)
- \$344,494 ARRA RLF (revised amount)

Additional financial assistance to site/project:

- \$18,250 of 128(a) funding
- \$200,000 Cleanup Grant from U.S. EPA
- \$40,000 Federal Matching Grant (FMG) from the Authority
- \$150,000 Stipulated Remediation Grant (SRG) from the Authority
- \$10,560 Supplemental Environmental Project (SEP) funding
- \$15,000 of local funds
- \$225,000 from a private third party (an additional \$75K secured during the reporting period)

7) City of Terre Haute: Total loan amount = \$8,175,000

- \$1,444,000 RLF
- \$6,731,000 SRF Loan Program

Additional financial assistance to site/project:

- \$92,000 Stipulated Assessment Grant (SAG) from the Authority
- \$198,216 of 128(a) funding

8) City of Richmond: Loan closing scheduled for June 2015 (Former Carpenter Bus Manufacturing Facility); loan amount = at least \$554,443; could be as high as \$580,000

9) City of Evansville: Loan closing anticipated before the end of 2015 (Former Swanson-Nunn Electric Company); loan amount = at least \$450,000; could be as high as \$600,000-\$700,000

While the Authority has successfully leveraged RLF funding with SRF loan funds in five of its loans, a brownfield remediation project that does not have a water quality impact is ineligible for SRF Program loan funding. Therefore, absent supplemental RLF funding, the Program may find itself out of the loan business until enough repayments from outstanding loans are accrued to renew the incentive.

5. Community benefit, including job retention/creation, from past and potential loan(s) and/or subgrant(s)

Pending/Anticipated Loans-

The **City of Richmond** estimates that five temporary (cleanup and construction) jobs will be created and more than 100 permanent jobs will be created once the business park is operating at full capacity on the **Former Carpenter Bus Manufacturing Facility** site, remediation at which will be funded with a pending June 2015 loan of \$554,443 (possibly as high as \$580,000) of RLF Supplemental Funds awarded to the Authority in September 2013. (Note that circumstances within City government delayed progress toward an earlier loan closing). In addition to new tax revenue being generated from occupancy of the former manufacturing facility, the City of Richmond anticipates tax revenue from additional commercial development in the area (e.g., retail) to support the increased employment at the site.

The **City of Evansville** anticipates the economic and quality of life benefits from remediation and redevelopment of the **Former Swanson-Nunn Electric Company** site with the anticipated 2015 loan of RLF Supplemental Funds awarded to the Authority in September 2014 will include eliminated human health and environmental hazards, improved neighborhood aesthetics, and new employment opportunities creating economic growth in the surrounding community.

Closed Loans-

City of South Bend: South Bend received substantial benefit from its BCRLF loan which it used to clean up a former landfill located in the middle of a residential neighborhood that was redeveloped as an environmental education center in a park, known as **Fredrickson Park**. South Bend Community Schools regularly take 2nd graders on field trips to the park and coordinate the trip with their health and science curriculum. In addition to receiving 20% forgiveness of its loan amount for having attained remediation and redevelopment project milestones, additional benefits realized by South Bend include:

Remediation of former landfill: Approximately 2.7 acres have been remediated. Environmental benefits include 1) completion of sampling of the groundwater monitoring system; 2) improved groundwater quality since capping the landfill; 3) corrective action initiated to remedy sporadic exceedances of methane; 4) modification of the methane monitoring system to cycle via a timer and/or manually; 5) installation of a SCADA remote monitoring system.

Acquisition and remediation of adjacent former Sears Parts building: South Bend purchased a Sears building located adjacent to Fredrickson Park and demolished it to attract a use to compliment the new park. The Program conducted oversight of remediation of waste materials beneath the former Sears parking lot, which was consolidated with the landfill waste at Fredrickson Park, capped with new asphalt, and is serviced by the methane collection system at the park. The Boy Scouts of America then purchased the property on which it built a new local council building with an approximate \$1.6 million in investment. The building was designed with “green” components including passive solar heating and use of recycled materials and houses a state-of-the-art conference center and community rooms that are used for the educational component of the Fredrickson Park project, and other community activities. Environmental education provided at the park has been incorporated in earning merit badges.

Related developments: Redevelopment of the former landfill has spurred local economic development. 1) The University of Notre Dame (Notre Dame) spent approximately \$15 million to fund realignments of streets around Angela/Edison and Juniper/Ivy streets. 2) South Bend has extended a bike/walking path from the Notre Dame campus to a current path abutting Fredrickson Park, as well as proposed an additional path abutting the park to increase access for potential park users. The City, in cooperation with Notre Dame, completed the successful development of Eddy Street Commons, which is a \$200 million, mixed-use development that is located just west of Fredrickson Park; as that development has expanded, bike paths have been added. 3) Also, the State has rebuilt and widened State Road 23/South Bend Avenue, which runs right past Fredrickson Park, includes bike paths. 5) Another new development very close to Fredrickson Park is Innovation Park, a State-Certified Tech Park, which opened in September 2009.

City of Shelbyville: Commercial and retail redevelopment is planned for the **Former Wellman Thermal Manufacturing** site which is contaminated with chlorinated compounds in soil and groundwater. \$139,159 in regular RLF funds leveraged additional investment of \$368,956 in State brownfield loan funds, \$500,000 in State brownfield grant assistance, \$630,000 in TIF proceeds (with up to an additional \$1.4 million available within two years), and projected investment of \$2 million by the private developer for the site. A White Castle restaurant has already been constructed at the site and opened in the spring of 2010.

City of Elkhart: The City of Elkhart has completed all demolition and remediation activities at the **Former Elkhart Foundry & Machine** site and at the **Former LaBour Pump** site with nearly \$3 million in loan funds from the Authority. The Program issued a Site Status Letter and Environmental Restrictive Covenant (ERC) for the Former Elkhart Foundry & Machine site to document closure of environmental conditions following the loan-funded demolition and remediation activities to facilitate the planned residential or mixed residential/commercial (tax revenue-generating) reuse of the site. For the Former LaBour Pump site, a Site Status Letter from the Program facilitated redevelopment into Sterling Park, a small community park/garden including trees, landscape rocks, a walking path, benches, picnic tables, a shelter, retaining walls, and 29 raised bed gardens. Green components of redevelopment include reuse of granite from Miles Labs and wind/solar light.

City of Goshen: The Program closed two loans with the City of Goshen to address two of nine sites in the River Race Redevelopment Area located within the heart of the City that served as a major industrial corridor for many years. The proposed reuse/redevelopment plan for the River Race Redevelopment Area includes mixed-use residential and commercial development, with the possibility of public recreational use on the west side of the Millrace Canal. The City hopes a majority of the properties will be privately owned and that it will retain ownership of the canal banks and pedestrian walkways. The project area is located within two blocks of Goshen's Downtown Historic District, with the southeast portion of the project located adjacent to an active residential neighborhood. Plans call for all new development to comply with green building techniques and for the City to explore the option of a LEED-certified development and "green" certifications through the National Association of Home Builders for any residential construction. Application of deconstruction and recycling techniques will be considered and used whenever possible for any buildings or foundations removed from the properties. Total private investment is estimated at \$12 million and public investment at over \$4 million. The City anticipates approximately 25 to 30 permanent jobs to be created once the area is redeveloped. At the **River Race Site 3/Weaver** site, remediation activities have been completed using regular RLF hazardous substances funding from the City's \$500,000 loan. The Program issued a Site Status Letter to document closure of environmental conditions on the site following the loan-funded hazardous substances remediation activities to facilitate the planned greenspace. For the **Former Western Rubber** site, a No Further Action (NFA) Letter from the Program helped to document closure of environmental conditions on the site following RLF loan-funded hazardous substances remediation activities which facilitated interim green space development until future redevelopment occurs.

City of Jeffersonville: Site work was completed at the **BP Ellis** site using approximately \$200,000 in regular RLF funds along with \$572,000 of ARRA RLF funds. The Program issued a No Further Action (NFA) letter which documented closure of environmental conditions on the site following the loan-funded hazardous substances remediation and quarterly groundwater sampling/monitoring activities to facilitate the City gateway redevelopment project that includes a grassy pocket park with sidewalk and trees and a "Welcome to Jeffersonville" sign.

City of Columbus: The City of Columbus' \$1.2 million loan, including approximately \$422,000 in regular RLF petroleum funds, funded petroleum remediation activities at the **Former Columbus Wood Treating Plant** site which enabled construction of a pedestrian/cycling trail. Sustainable landscaping techniques were used in applicable areas on the site, with a focus on the use of native plants in a low-maintenance design to be aesthetically pleasing to the community. The trail serves as interim greenspace redevelopment until possible commercial redevelopment.

City of Richmond: On-site soil remediation is completed at the Former Richmond Gas Plant/Indiana Gas/Manufactured Gas Plant (**MGP**). The site has been capped and a roadway has been built. Groundwater remediation activities continue using approximately \$328,000 in ARRA RLF hazardous substances funds. Groundwater bench tests are complete for the implementation of a groundwater pilot test. Once remediation work is completed, the former eyesore will be highly marketable due to its proximity to the new Main Street Bridge on Historic Scenic Byway US 40. The number of temporary jobs estimated to be created in conjunction with this project is 10.

City of Terre Haute: Remediation/disposal activities were completed at and the final Remediation Completion Report issued for the former **Terre Haute Coke & Carbon** site utilizing \$1,444,000 in regular RLF hazardous substances funding (which has been completely drawn and which was coupled with funds from the SRF Loan Program). The City has approved additional investigative activities to delineate suspected contamination on an 8.7-acre area located along an existing rail corridor on the eastern portion of the site. Once delineation activities have been completed, remediation options will be determined for the former Terre Haute Coke & Carbon facility; redevelopment plans are expected to include both the additional 8.7 acres and the previously remediated 20-acre commercial/industrial park and a trailhead facility near the northwest corner of the site that will be maintained by the Terre Haute Parks & Recreation Department.

Other: The Program generates a high level of investment for every \$1 of State brownfield funding it awards. From 1997-2014, the State's return on its investment based on actual funds leveraged for Authority-funded projects in the Program (including those with federal funding) was \$9:\$1. During the same time period, actual funds leveraged for all projects in the Program (including those without financial assistance, e.g., projects for which the Program issued a liability clarification letter) were \$42:\$1. Regarding the Program's RLF loan projects specifically, \$4.10 in additional (non-U.S. EPA brownfield) public investment has been or is projected to be leveraged for every \$1 in RLF funds. Every RLF dollar has also leveraged or is projected to leverage 90 cents in private investment.

Program brownfield projects are also proven job generators. For example, redevelopment of the former Ireland Road Landfill in South Bend, at which \$747,687 in State brownfield funds were spent, resulted in extensive commercial redevelopment yielding 740 new jobs.

The Program also has experience with projects that incorporate sustainable components in remediation plans, as well as sustainable redevelopment. For example, the Program provided funding to Keep Indianapolis Beautiful, Inc. (KIB), a nonprofit organization that undertakes greenspace development, beautification and education in Indianapolis, which undertook the sustainable redevelopment of two vacant brownfield sites to establish its new headquarters. A formerly petroleum-contaminated property currently acts as a tree yard for KIB's plant material and a former industrial building has been repurposed to serve as office and meeting space while incorporating a "white roof," pervious pavement parking lot, a rain cistern, three demonstration windmills and waterless urinals, among other sustainable features. KIB's new headquarters attained Leadership in Energy and Environmental Design (LEED) Gold Certification and served to consolidate KIB's operations into one facility, resulting in energy efficiency and resource conservation.

6. Special Considerations

The **Former Reid Memorial Hospital Site** is in dire need of the \$1,000,000 in RLF supplemental funding requested in this proposal for hazardous substances remediation specifically to fund the estimated \$1,000,000 asbestos abatement required as part of an estimated \$6,000,000 building demolition project. The City of Richmond has already invested thousands in maintenance and upkeep of the Site, including a \$10,000 donation made to the City of Richmond

in late 2014 to mow and remove overgrowth at the Site. RLF supplemental funding would also leverage the U.S. EPA 128(a) dollars invested by the State in the past year to assess Site contamination.

With recent discussions between the City of Richmond and potential developers, redevelopment efforts at the Former Reid Memorial Hospital Site have re-gained traction, and the City is ready for remediation activities to begin immediately. As the Site has already been determined to be eligible for federal brownfield funding as it was the beneficiary of an award of 128(a) funding, and since the Program knows that the City of Richmond is an eligible borrower as it closed an RLF-funded loan with the Program in December 2012 for the former Richmond MGP site, a loan closing for this project could happen expeditiously.

The Site is located in a blighted area of Richmond, in Wayne County, Indiana which needs an injection of funds to improve economic conditions. In addition to Indiana's unemployment rate (5.9% as of December 2014) exceeding that of the national rate (5.6% in December 2014), the unemployment rate in Wayne County during the same period was 6.6%, with Richmond's rate being 6.9%. According to an Indiana Department of Transportation (INDOT) Market Research Project that addressed Environmental Justice (EJ) perspectives in light of community, economic, and environmental objectives, the market research telephone survey conducted strongly suggests that Indiana's EJ populations (minority and low-income groups, Year 2000 Census) have less mobility than its non-EJ populations. Site redevelopment in downtown Richmond facilitated by RLF funding will help address this EJ journey-to-work issue. Such a benefit from the expenditure of RLF supplemental funds aligns with federal actions to address EJ in minority and low-income populations in the spirit of U.S. EPA's Cross-Agency Strategy on Working to Make a Visible Difference in Communities.

Undertaking remediation activities at the Former Reid Memorial Hospital Site will enable the City of Richmond to market the Site for proposed commercial and residential reuses with the potential for the creation of hundreds of new jobs and thousands in needed property taxes and income taxes. This would be a substantial benefit for Richmond residents and Richmond's struggling economy.

Approximately 15 brownfields in Richmond are enrolled in the Indiana Brownfields Program, including this Site. The City of Richmond is an active brownfield stakeholder and community partner, and Richmond has a proven record of success taking advantage of Program incentives throughout the years. RLF supplemental funding is a much needed resource that will make a difference with the City's ongoing efforts to protect human health and the environment and maximize economic benefits from its most valuable sites.

III. Conclusion

The Authority appreciates U.S. EPA's consideration of the Indiana Brownfields Program's request for RLF Supplemental Funding to further advance Indiana's efforts to clean up contaminated brownfields, help communities stabilize their economies, leverage private and public investment, and create jobs in blighted areas around the State. Should you have any questions regarding this funding request, please contact me at 317-234-0235 or

moertel@ifa.in.gov.

Sincerely,



Michele M. Oertel
Federal Funding & Community Relations Coordinator
Indiana Brownfields Program

cc: Lisa Ruhl, U.S. EPA Headquarters (electronic)
Patricia Polston, U.S. EPA Region 5 (electronic)